

**GRAMBLING UNIVERSITY NATIONAL ALUMNI  
ASSOCIATION, INCORPORATED  
GRAMBLING, LOUISIANA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
WITH SUPPLEMENTAL INFORMATION  
As of And for The Year Ended December 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAY 30 2012**

**BY**

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ASSOCIATION, INCORPORATED  
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**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
WITH SUPPLEMENTAL INFORMATION  
As of And for The Year Ended December 31, 2007**

**GRAMBLING UNIVERSITY NATIONAL  
ALUMNI ASSOCIATION, INCORPORATED  
Grambling, Louisiana**

**Financial Statements  
and Independent Auditor's Report  
with Supplemental Information  
As of and for the Year Ended December 31, 2007**

**CONTENTS**

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Auditor's Report		1
Financial Statements		
Statement of Financial Position	A	3
Statement of Activities	B	4
Statement of Cash Flows	C	5
Statement of Functional Expenses	D	6
Notes to the Financial Statements		7-11
Supplemental Information:		
Schedule of Activities-Budget to Actual		13
Schedule of Payments to Grambling State University (GSU) Employees		14



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### **Independent Auditor's Report**

To the Board of Directors of  
Grambling University National Alumni Association, Incorporated

I have audited the accompanying statement of financial position of Grambling University National Alumni Association, Incorporated (a nonprofit organization) as of December 31, 2007, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grambling University National Alumni Association, Incorporated as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information and schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rosie D. Harper  
Certified Public Accountant

Monroe, Louisiana  
August 12, 2008

## **FINANCIAL STATEMENTS**

**GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED**  
Statement of Financial Position  
December 31, 2007

<b>Assets</b>	
Cash and Cash Equivalents	\$ 135,273
Property and Equipment, Net (Note B)	142,658
Total Assets	<u>277,931</u>
 <b>Liabilities and Net Assets</b>	
Liabilities:	
Accrued Liabilities	-
Total Liabilities	<u>-</u>
 Net Assets:	
Unrestricted	(116,901)
Temporarily Restricted	9,242
Permanently Restricted	385,590
Total Net Assets	<u>277,931</u>
Total Liabilities and Net Assets	<u>\$ 277,931</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
Statement of Activities  
For the Year Ended  
December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support</b>				
Alumni Day Fund	\$ 7,934	\$ -	\$ -	\$ 7,934
Bank Commissions	936	-	-	936
Membership Dues	20,275	-	11,910	32,185
Chapter Assessments	4,680	-	-	4,680
National Meeting	26,104	4,460	-	30,564
Bayou Classic Revenue	-	28,875	-	28,875
Legal Defense	2,100	-	-	2,100
Other Support	12,754	115	-	12,869
Total Support	<u>74,783</u>	<u>33,450</u>	<u>11,910</u>	<u>120,143</u>
<b>Other Revenue</b>				
Interest Income	539	22	-	561
Total Other Revenue	<u>539</u>	<u>22</u>	<u>-</u>	<u>561</u>
<b>Net Assets Released from Restrictions</b>				
Restrictions Satisfied by Payments	35,072	(35,072)	-	-
Total Net Assets Released from Restrictions	<u>35,072</u>	<u>(35,072)</u>	<u>-</u>	<u>-</u>
Total Support, Other Revenue and Reclassifications	<u>110,394</u>	<u>(1,600)</u>	<u>11,910</u>	<u>120,704</u>
<b>Expenses</b>				
General and Administrative Expenses	55,068	-	-	55,068
Fundraiser Expenses	18,394	-	-	18,394
Program Expenses	40,822	-	-	40,822
Total Expenses	<u>114,284</u>	<u>-</u>	<u>-</u>	<u>114,284</u>
Change in Net Assets	<u>(3,890)</u>	<u>(1,600)</u>	<u>11,910</u>	<u>6,420</u>
Net Assets as of Beginning of Year	<u>(113,011)</u>	<u>104,147</u>	<u>280,375</u>	<u>271,511</u>
Net Assets as of End of Year	<u>\$ (116,901)</u>	<u>\$ 102,547</u>	<u>\$ 292,285</u>	<u>\$ 277,931</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

## GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

## Statement of Cash Flows

For the Year Ended

December 31, 2007

**Operating Activities**

Change in Net Assets	\$ 6,420
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	10,279
Decrease in Accounts Payable/Accrued Liabilities	(25,179)
Provision for Depreciation	5,678
Total Adjustments	<u>(9,222)</u>
Net Cash Used by Operating Activities	<u>(2,802)</u>
<b>Net Decrease in Cash</b>	<u>(2,802)</u>
Cash and Cash Equivalents as of Beginning of Year	<u>138,075</u>
Cash and Cash Equivalents as of the End of Year	<u>\$ 135,273</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

**GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED**  
**Statement of Functional Expenses**  
**For the Year Ended**  
**December 31, 2007**

	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Program</b>	<b>Total</b>
<b>General and Administrative</b>				
Accounting/Auditing	\$ 2,100	\$ -	\$ -	\$ 2,100
Automobile Expense	109	-	-	109
Bank Service Charges	1,073	-	-	1,073
Bayou Classic Expense	-	1,000	-	1,000
Bayou Classic Concert Expense	-	16,269	-	16,269
Contributions	109	-	-	109
Depreciation	5,678	-	-	5,678
Equipment Rental	1,021	-	-	1,021
Gifts, Flowers & Courtesies	659	-	-	659
Homecoming/Alumni Day	-	-	5,302	5,302
Insurance	5,227	-	-	5,227
Licenses and Permits	175	-	-	175
Membership Pins	-	1,125	-	1,125
Maintenance	4,914	-	-	4,914
Miscellaneous	275	-	-	275
National Meetings	-	-	22,740	22,740
Office Expense	5,370	-	-	5,370
Other Program Expenses	-	-	10,780	10,780
Postage and Delivery	2,031	-	-	2,031
Printing	1,528	-	-	1,528
Professional Fees	14,926	-	-	14,926
Scholarship Awards	-	-	2,000	2,000
Storage	725	-	-	725
Telephone	3,838	-	-	3,838
Travel for Officers	2,150	-	-	2,150
Travel-Office Staff	35	-	-	35
Utilities	3,125	-	-	3,125
<b>Total Functional Expenses</b>	<b>\$ 55,068</b>	<b>\$ 18,394</b>	<b>\$ 40,822</b>	<b>\$ 114,284</b>

See Accompanying Auditor's Report and Notes to Financial Statements.

**Grambling University National Alumni Association, Incorporated**  
**Grambling, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2007**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Grambling University National Alumni Association, Incorporated is a private non-profit Organization domiciled in the State of Louisiana at Grambling, Louisiana. The State of Louisiana chartered the Organization on October 13, 1967. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code.

The Organization goals and objectives are:

- To facilitate better communication and a closer relationship between Grambling State University, its graduates and friends.
- To cooperate with the University's Administration, Field Services, and other Alumni organizations in the promotion of worthwhile activities for the Grambling State University faculty, staff, alumni, students, prospective students and friends.
- To encourage the highest degree of professional ethics and scholarship in the alumni and students.
- To stimulate school loyalty, devotion, and responsibility.
- To further encourage professional enthusiasm, initiative, and growth.
- To provide a National Organization to channel information to support local, state, regional and national programs.
- To provide suitable headquarters, offices and facilities to direct Alumni Affairs and to channel information to support local, state, regional and national programs.
- To study any propositions concerning the mutual relationship of the University and the various allied organizations to the end that both will benefit from their close Organization.
- To legislate through bylaws or by resolution upon any subject of general concern to the members of this organization.
- To promote a "Greater Grambling" through the work of the Alumni Organization.
- To secure financial assistance for Grambling State University through the following methods: Cash, Securities, Requests, Life-Income, Real Estate, Insurance, Specified Property, Annual Dues, and Annual Fund Drives.

**Grambling University National Alumni Association, Incorporated**  
**Notes to the Financial Statements (Continued)**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- To establish Alumni chapters throughout the nation to assist Grambling State University in achieving the above goals, as well as, educational excellence, financial security, humanitarian ideals, athletic and social prominence.
- Membership in the Organization is composed of University graduates and attendees, as well as, faculty and staff members. The Board of Directors of the Organization consists of seven (7) members. The members serve without compensation.

**Basis of Presentation**

For the period ending December 31, 2007, the Organization followed provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

**Public Support and Revenue**

Revenue and public support consists mainly of membership dues, fundraising, and contributions. In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by time by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a time restrictions expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Organization had no cash equivalents during the audit period. On December 31, 2007, the Organization had cash totaling \$135,273 as follows:

Unrestricted	\$ 2,602
Temporarily Restricted	3,398
Permanently Restricted	129,273
Total	<u>\$ 135,273</u>

**Grambling University National Alumni Association, Incorporated**  
**Notes to the Financial Statements (Continued)**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

The Grambling University National Alumni Association, Incorporated is exempt from federal income taxes under Section 501 ( c ) ( 3 ) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

**Depreciation**

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	30 years
Furniture and equipment	7 years

**Budget Practices**

The Organization prepares an annual budget that is approved by the Board of Directors. As a result, a "budgeted and actual" comparative statement is presented as supplemental information.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE B. PROPERTY AND EQUIPMENT**

For the period ended December 31, 2007, the Organization had net property equipment totaling \$142,658. The following schedule reflects the balances in property and equipment at December 31, 2007:

	<u>1/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2007</u>
Depreciable Assets				
Furniture & Fixtures	\$ 23,965	\$ -	\$ -	\$ 23,965
Equipment	8,024	-	-	8,024
Building	148,484	-	-	148,484
Total Depreciable Assets	180,473	-	-	180,473
Less Accumulated Depreciation				
Depreciation	(81,547)	(5,678)	-	(87,225)
Total Accumuated Depreciation	(81,547)	(5,678)	-	(87,225)
Net Depreciable Assets	98,926	(5,678)	-	93,248
Other Property & Equipment				
Land	49,410	-	-	49,410
Net Property & Equipment	<u>\$ 148,336</u>	<u>\$ (5,678)</u>	<u>\$ -</u>	<u>\$ 142,658</u>

**Grambling University National Alumni Association, Incorporated**  
**Notes to the Financial Statements (Continued)**

**NOTE C. FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE D. CONTINGENCIES**

For the year ended December 31, 2006, a claim was filed against the Grambling University National Alumni Association by the Board of Supervisors of the Louisiana University System to recoup approximately \$40,000 of disputed funds from the 2005 Bayou Classic. An amount for the contingency is not reflected in the financial statements because the probability of outcome cannot be determined at this time.

**NOTE E. INTERFUND TRANSACTIONS**

Following SFAS No. 117, the statement of Financial Position focuses on the Organization as a whole. Therefore, interfund receivables ("Due From") and interfund liabilities ("Due To") are eliminated from the financial statements because they are not assets or liabilities of the Organization as a whole. However, since the Organization maintains separate funds to account for activities within those funds; interfund liabilities and receivables are recognized at the fund level. The Organizations maintained the following funds for the period ending December 31, 2007:

**General Fund**

All assets that are not restricted by the donor or the Board of Directors have been included in the General Fund.

**Scholarship Fund**

The Scholarship Fund is used to account for contributions that have been restricted for providing scholarships to university students.

**Building Fund**

The Building Fund is used to account for all contributions designated by donor or the board for the purpose of maintaining and operating the Alumni properties. All assets are permanently restricted for that same purpose.

**Life Membership Fund**

The Life Membership Fund is used to account for life membership dues and life endowments. The principal of the assets accounted for in the Life Membership Fund is permanently restricted. However, the earnings are unrestricted and transferred to the General Fund when paid.

**Grambling University National Alumni Association, Incorporated**  
**Notes to the Financial Statements (Continued)**

**NOTE E. INTERFUND TRANSACTIONS (Continued)**

At December 31, 2007, the "Due To" and "Due From" accounts for each of the funds were as follows:

	Due To	Due From
<b>General Fund</b>		
Scholarship Fund	\$ 6,149	\$ -
Life Membership Fund	113,354	-
Total General Fund	<u>119,503</u>	<u>-</u>
<b>Scholarship Fund</b>		
General Fund	-	6,149
Total Scholarship Fund	<u>-</u>	<u>6,149</u>
<b>Building Fund</b>		
Life Membership	-	49,658
General Fund	-	-
Total Building Fund	<u>-</u>	<u>49,658</u>
<b>Life Membership Fund</b>		
Building Fund	49,658	-
General Fund	-	113,354
Total Life Membership Fund	<u>49,658</u>	<u>113,354</u>
<b>Total Interfund Transactions</b>	<u>\$ 169,161</u>	<u>\$ 169,161</u>

## **SUPPLEMENTAL INFORMATION**

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
 Schedule of Activities - Budget to Actual  
 For the Year Ended December 31, 2007

Schedule 1

	<u>Budget</u>	<u>Actual</u>	<u>\$ Variance</u>
<b>Support</b>			
Alumni Day Fund	\$ -	\$ 7,934	(7,934)
Bank Commissions	-	936	(936)
Membership Dues	65,000	32,185	32,815
Chapter Assessments	2,500	4,680	(2,180)
National Meeting	30,000	30,564	(564)
Bayou Classic	50,000	28,875	21,125
Legal Defense	-	2,100	(2,100)
Scholarship Contributions	25,000	-	25,000
Other Support	14,000	12,869	1,131
<b>Total Support</b>	<u>186,500</u>	<u>120,143</u>	<u>66,357</u>
<b>Other Revenue:</b>			
Interest Income/Gain on Investment	2,500	561	1,939
<b>Total Support and Other Revenue</b>	<u>189,000</u>	<u>120,704</u>	<u>68,296</u>
<b>Expenses</b>			
<b>General and Administrative</b>			
Accounting/Auditing	6,000	2,100	3,900
Automobile Expense	-	109	(109)
Bank Service Charges	600	1,073	(473)
Contributions	-	109	(109)
Depreciation	10,000	5,678	4,322
Equipment Rental	-	1,021	(1,021)
Gifts, Flowers & Courtesies	-	659	(659)
Insurance	1,700	5,227	(3,527)
Licenses and Permits	-	175	(175)
Maintenance & Repairs	2,000	4,914	(2,914)
Miscellaneous	5,000	275	4,725
Office Supplies	4,000	5,370	(1,370)
Postage and Delivery	3,000	2,031	969
Printing	3,500	1,528	1,972
Professional Fees	16,000	14,926	1,074
Public Relations/Recruitment	4,000	-	4,000
Subscriptions	500	-	500
Storage	400	725	(325)
Telephone	5,500	3,838	1,662
Travel	10,500	2,185	8,315
Utilities	550	3,125	(2,575)
<b>Total General &amp; Administrative Expenses</b>	<u>73,250</u>	<u>55,068</u>	<u>18,182</u>
<b>Fundraising Expenses</b>			
Bayou Classic Expense	50,000	17,269	32,731
Membership Pins	2,500	1,125	1,375
Other Fundraising Expenses	-	-	-
<b>Total Fundraising Expenses</b>	<u>52,500</u>	<u>18,394</u>	<u>34,106</u>
<b>Program Expenses</b>			
Homecoming/Alumni Day	6,000	5,302	698
National Meetings	25,000	22,740	2,260
Other Program Expenses	5,250	10,780	(5,530)
Scholarship Awards	25,000	2,000	23,000
<b>Total Program Expenses</b>	<u>61,250</u>	<u>40,822</u>	<u>20,428</u>
<b>Total Expenses</b>	<u>187,000</u>	<u>114,284</u>	<u>72,716</u>
Change in Net Assets	<u>\$ 2,000</u>	<u>\$ 6,420</u>	<u>\$ (4,420)</u>
<b>Other Budgeted Items</b>			
Capital Outlay	2,000	-	2,000
<b>Total Capital Outlay</b>	<u>2,000</u>	<u>-</u>	<u>2,000</u>

See Accompanying Auditor's Report.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
Schedule of Payments to Grambling State University (GSU) Employees  
FY December 31, 2007

<b>Employees</b>	<b>Payments</b>
Gay, Gloria	\$ 60
Holland, Annie	60
Jones, Ernest L.	205
Samuel, Don	150
<b>Total Payments to GSU Employees</b>	<b>\$ 475</b>

See Accompanying Auditor's Report.